

Message Text

CONFIDENTIAL

PAGE 01 JIDDA 06845 211025Z

17

ACTION TRSE-00

INFO OCT-01 NEA-06 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 SS-15 STR-01 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03 LAB-01 SIL-01

IGA-01 L-02 /062 W

----- 056102

R 210645Z NOV 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 9336

INFO AMCONSUL DHAHRAN

C O N F I D E N T I A L JIDDA 6845

PASS TREASURY FOR PARSKY

E.O. 11652: GDS

TAGS: EAID, US, SA

SUBJECT: BASIC ISSUES ON US/SAUDI COMMISSION

REF: A STATE 252047; B. STATE 250141

BEGIN SUMMARY: THE POSTPONEMENT OF THE FIRST MEETING OF US/SAUDI COMMISSION TO JANUARY MAY BE WELCOMED BY SAUDI COUNTERPARTS SINCE SEVERAL KEY ISSUES REMAIN UNRESOLVED. MEETING NOV 18 BY DR. SULAIM AND THREE PLANNING MINISTERS WITH PRINCE FAHD MAY SEE SOME TENTATIVE DECISIONS TAKEN. WE WOULD HOPE TO INFLUENCE THEM IN DIRECTION OF STRENGTHENING ADMINISTRATIVE APPARATUS AND ESTABLISHING ONE KIND OR ANOTHER OF SPECIAL AGENCY FOR CARRYING ON WORK OF THE COMMISSION. END SUMMARY

1. WE HAVE SUGGESTED TO SAUDI COORDINATOR DR. SULAIMAN SULAIM THAT ECON COMMISSION JOINT MEETINGS WITH SECRETARY SIMON BE DEFERRED TO JANUARY. WE BELIEVE SAUDIS MIGHT HAVE BEEN EMBARRASSED ABOUT ARRIVING WASHINGTON IN DECEMBER JUST AFTER US-ISRAELI COMMISSION HAD MET.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 06845 211025Z

2. DR. SULAIM BELIEVES WE MAY RECEIVE SAUDI REPLY TO OUR SUGGESTION AFTER MEETING BETWEEN PRINCE FAHD AND THE THREE PLANNING MINISTERS (NAZER, ABA AL-KHAYL, QURAYSHI) ORIGINALLY SCHEDULED NOVEMBER 18. DR. SULAIM WILL ALSO ATTEND THIS MEETING, WHICH WILL REVIEW WHAT THE US/SAUDI COMMISSION HAS ACCOMPLISHED SO FAR AND WHAT DIRECTION IT SHOULD NOW TAKE. DECISION WILL ALSO BE MADE ON DR. SULAIM'S VISIT TO WASHDC BEFORE 1ST MEETING OF COMMISSION.

3. DR. SULAIM HAS RECENTLY SAID THE DEVELOPMENT ENTERPRISE PROPOSAL IS UNLIKELY TO BE APPROVED FOR REASONS PREVIOUSLY STATED. HISHAM NAZER'S OBJECTIONS ARE NOT BASED SOLELY ON US CORPORATIONS' OPPOSITION AS REPORTED TO HIM BY THE SAUDI TEAM AFTER THE WASHINGTON CONFERENCE. HE IS ALSO CONCERNED THAT PROPOSAL TENDS TO CUT ACROSS LINES OF MINISTERIAL AUTHORITY AND VIOLATES THE SAUDI SYSTEM OF CONSENSUS. HE HAS ALSO SAID SUCH A PROPOSAL SHOULD BE STUDIED IN LIGHT OF POLITICAL DEVELOPMENTS. FURTHERMORE, EXECUTIVES OF U.S. MULTINATIONALS HERE GIVE THE PROPOSAL A MIXED REACTION AT BEST. THEY ARE CONCERNED IT MIGHT CUT INTO THEIR OWN WAYS OF DOING BUSINESS IN SAUDI ARABIA AND OPEN THE MARKET TO POSSIBLE COMPETITORS.

4. AS THE SAUDI MOST CONCERNED WITH THE FUTURE OF THE COMMISSION, DR. SULAIM HAS BECOME MORE PASSIVE AND EVEN NEGATIVE TO ANY BUT THE MOST PRAGMATIC SUGGESTIONS ABOUT CHANGES IN ORGANIZATION OR IN THE SAG STRUCTURE. HISHAM NAZER'S VIEWS REMAIN IMPRECISE ABOUT THE CHANGES THAT ARE NEEDED TO IMPLEMENT THE PLAN, BUT WE HOPE TO REOPEN DISCUSSIONS WITH ALL THREE MINISTERS AGAIN SOON. WE WILL TRY TO PERSUADE THE SAUDIS TO (1) ESTABLISH IN RIYADH AN EXPANDED U.S. OFFICE OF THE JOINT COMMISSION, (2) THINK AGAIN ABOUT POSSIBLE NEEDED CHANGES IN THE SAUDI GOVERNMENT (THAT WOULD INCLUDE SETTING UP AN ACTION AGENCY TO SUPPLEMENT THE CENTRAL PLANNING ORGANIZATION'S WORK IN THE CORRECT PHASING OF PROJECTS AND INFRASTRUCTURES, (3) STRENGTHEN THE JOINT COMMISSION OR WHATEVER SAUDI SUPPORTED ORGANIZATION

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JIDDA 06845 211025Z

THAT WILL BE RESPONSIBLE FOR WORK TO BE CARRIED OUT UNDER AUSPICES OF CORPS OF ENGINEERS (AND POSSIBLY THE TECHNICAL COOPERATION AGREEMENT). AT PRESENT THE CORPS MIGHT BE FACED (IF IT TAKES ON THE TASK) WITH WORKING FOR AND NEGOTIATING AGREEMENTS WITH A NUMBER OF INDIVIDUAL CIVILIAN MINISTRIES, WHICH IS NOT A HAPPY PROSPECT.

5. WITH THE MEETINGS PROBABLY POSTPONED BY ONE MONTH,
THERE MAY BE TIME TO WORK ON ALL THREE OF THESE PROBLEM
AREAS, AND PERHAPS MAKE SOME PROGRESS ON EACH OF
THEM.
AKINS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, TRADE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JIDDA06845
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740337-0266
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741125/aaaaaumo.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A STATE 252047; B. STATE 250141
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 26 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 AUG 2002 by boyleja>; APPROVED <14 MAR 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BASIC ISSUES ON US/SAUDI COMMISSION
TAGS: EAID, US, SA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005